



## Indoor Amateur Sports Facility Public-Private Partnership Update

Economic Development Committee  
March 26, 2018



### Overview

- **Purpose**
  - Share update on the solicitation and evaluation process for indoor amateur sports public-private partnership proposals
  - Receive staff's recommendation to not move forward at this time on a public-private partnership with any of the three proposing groups
- **Committee Action**
  - None, update only



## What is Amateur Sports?

- Any sport, any level of expertise, where the participant is not paid to participate
  - Youth (through High School)
  - Collegiate
  - Masters (post-Collegiate)
  - Seniors

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## Background

- Since FY2012, the Economic Development Focus Area Plan has included a strategic priority to grow youth and amateur sports
- FY2014 Community Investment Plan (CIP) appropriated \$25M for Bojangles Coliseum and Ovens Auditorium area redevelopment as part of Eastside investments
- Efforts to obtain a private partner for indoor amateur sports at Coliseum/Ovens site was not successful
- February 2015 Economic Development & Global Competitiveness Committee asked staff to evaluate other options/opportunities for Coliseum/Ovens site and amateur sports

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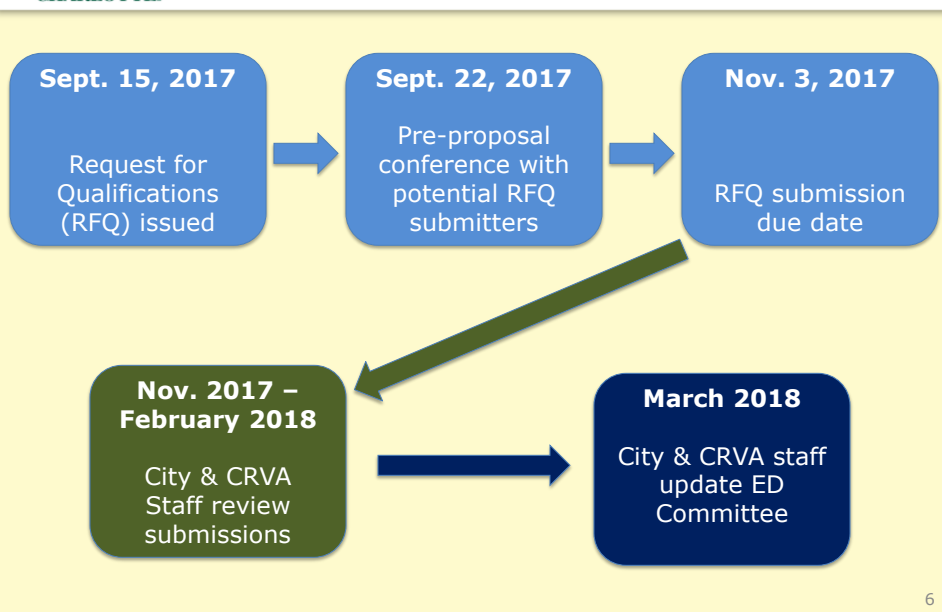
## Background

- On July 24, 2017 City Council approved a connector facility (i.e. "The LINK") at Bojangles Coliseum/Ovens Auditorium
- On September 14, 2017, Charlotte Regional Visitors Authority (CRVA) and City Staff updated the Economic Development Committee on plan to proceed with an indoor amateur sports facility solicitation process
- Hospitality and tourism taxes were identified to fund an indoor amateur sports facility

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## Proposal Submission/Review Timeline



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## Why Indoor Amateur Sports? Importance to Charlotte's Visitor Economy

**\$6.7 billion**

IN VISITOR  
SPENDING

**131k**

HOSPITALITY &  
LEISURE JOBS

**\$352**

TAX SAVINGS  
PER RESIDENT

**#1**

VISITOR ECONOMY  
IN THE CAROLINAS

**1 IN 9  
JOBS**

4<sup>TH</sup> LARGEST  
INDUSTRY

**\$500  
MILLION**

STATE & LOCAL  
TAX REVENUES

**\$5.2  
BILLION**

IN VISITOR SPENDING  
IN MECKLENBURG  
COUNTY

**65K  
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ARE SUPPORTED  
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**\$109  
MILLION**

IN MECKLENBURG  
COUNTY HOSPITALITY  
TAXES

Source: Economic Development Partnership of North Carolina  
by U.S. Travel Association

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## Why Indoor Amateur Sports? Economic Power

**\$132.7 million**

In Visitor Spending

**\$232.5 million**

In Economic Impact

**2,704 jobs**

Supported by Visitor Spending

**59%**

of all group rooms booked  
by CRVA in FY17 were  
sports events



Source: University of North Carolina Charlotte  
*The Economic Impact of Sports and Sports Events on the Charlotte MSA Economy, 2011*

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## Partnership Objectives

- Create a competitive advantage for Charlotte as a preferred destination to host indoor amateur and youth sports events
- Grow new jobs and youth apprenticeships
- Expand Charlotte's visitor economy

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## Public-Private Partnership RFQ Scope and Evaluation Criteria

Criteria	Description
<b>1. Large scale, best-in-class, "destination-defining" indoor amateur sports facility development concept plan</b>	<ul style="list-style-type: none"> <li>• 10 high-school regulation basketball courts / ability to convert to 20 or more regulation volleyball courts</li> <li>• Flexibility to host the widest spectrum of amateur and youth sports events</li> <li>• Amenities: seating, rest rooms, food and beverage offerings, activity options for non-participating siblings, changing rooms, meeting rooms</li> </ul>
<b>2. Location Competitiveness</b>	<ul style="list-style-type: none"> <li>• Proximity to hotels and restaurants</li> <li>• Proximity to other visitor amenities</li> <li>• Ease of access and parking</li> </ul>
<b>3. Site Location/Control</b>	<ul style="list-style-type: none"> <li>• Private partner responsible for site control/land acquisition, construction and facility operation</li> <li>• Location within City limits</li> <li>• Clear and concise vision for the development</li> </ul>

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## Public-Private Partnership RFQ Scope and Evaluation Criteria

Criteria	Description
<b>4. Qualifications and Experience</b>	<ul style="list-style-type: none"> <li>• Successful track record and experience developing similar projects</li> <li>• Proven ability to work with public agencies in a similar context</li> </ul>
<b>5. Financing Strategy</b>	<ul style="list-style-type: none"> <li>• Complete project financing and operating plan</li> </ul>
<b>6. Financial Qualifications</b>	<ul style="list-style-type: none"> <li>• Demonstrated financial capacity to undertake project</li> <li>• Ability to raise private funding</li> </ul>
<b>7. Sales and Marketing</b>	<ul style="list-style-type: none"> <li>• Partnership with CRVA to maximize visitors to Charlotte, particularly on weekends</li> </ul>
<b>8. Community Access Plan</b>	<ul style="list-style-type: none"> <li>• Includes free access opportunities to serve citizens of Charlotte</li> </ul>
<b>9. Youth Engagement and Apprenticeship Opportunities</b>	<ul style="list-style-type: none"> <li>• Plan to engage youth and develop career opportunities in the amateur sports field</li> </ul>
<b>10. MWSBE Participation</b>	<ul style="list-style-type: none"> <li>• Minimum of 20% MWSBE commitment</li> </ul>

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## Indoor Amateur Sports Partnership Proposal Submissions

1. Universal Sports, LLC
2. Eastland Community Development, Inc.
3. Charlotte Flights

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All proposals conveyed passion for amateur sports, desire to strengthen our community, and support of tourism industry

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## Summary of Proposals and Results of Key Evaluation Criteria

	Overview	Destination Defining Concept Plan	Site Control / Location Competitiveness	Qualifications & Experience (constructing and operating similar facility)	Financing Strategy & Financial Qualification
<b>Universal Sports</b>	<ul style="list-style-type: none"> <li>• 176,000 sq. ft. facility</li> <li>• Multi-use court plus track</li> <li>• Total cost: N/A</li> <li>• City funding request: N/A</li> </ul>	Consensus among all reviewers that no submittal satisfied the RFQ requirements			
<b>Eastland Community Development, Inc.</b>	<ul style="list-style-type: none"> <li>• 13.4 acre site proposal</li> <li>• Multi-use court, including track</li> <li>• Total cost: \$35.2M</li> <li>• City funding request: \$15M</li> </ul>				
<b>Charlotte Flights</b>	<ul style="list-style-type: none"> <li>• 430,000 sq. ft. facility</li> <li>• Multi-use court and track and field</li> <li>• Total cost: \$40+M</li> <li>• City funding request: 50% of cost (\$20+M)</li> </ul>				

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## Conclusions

- Staff recommends not moving forward with any of the three proposals
- City and CRVA staff will continue to monitor the indoor amateur sports market and any other potential partnership opportunities

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## Indoor Amateur Sports Facility Public-Private Partnership Update

### **Discussion**

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### Appendix Slides

September 14, 2017 Indoor Amateur  
Sports overview for Economic  
Development Committee





## Indoor Amateur Sports Facility Public-Private Partnership Update

September 14, 2017



### Overview

- **Purpose:** Update the Economic Development Committee on the process to solicit indoor amateur sports public-private partnership proposals.
- Topic Areas
  - Background
  - Why indoor amateur sports?
  - Public-Private Partnership (P3) solicitation requirements, objectives, and scope
  - Funding
  - Timeline



## Background

- Since FY2012, the Economic Development Focus Area Plan has included a strategic priority to grow youth and amateur sports
- FY2014 Community Investment Plan (CIP) appropriated \$25M for Bojangles Coliseum and Ovens Auditorium area redevelopment as part of Eastside investments
- Efforts to obtain a private partner for indoor amateur sports at Coliseum/Ovens site was not successful
- February 2015 Economic Development & Global Competitiveness Committee asked staff to evaluate other options/opportunities for Coliseum/Ovens site and amateur sports

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## Background

- On July 24, 2017 City Council approved "The LINK" at Bojangles Coliseum/Ovens Auditorium
- Charlotte Regional Visitors Authority (CRVA) and City staff are now ready to proceed with an indoor amateur sports facility solicitation process
- The indoor amateur sports facility is intended to be funded by hospitality and tourism taxes

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## What is Amateur Sports?

- Any sport, any level of expertise, where the participant is not paid to participate
  - Youth (through High School)
  - Collegiate
  - Masters (post-Collegiate)
  - Seniors

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## Why Indoor Amateur Sports?

- Importance of Charlotte's Visitor Economy
- Charlotte Hospitality Industry Dynamics
- The Economic Power of Amateur Sports
- Charlotte's Position in the Amateur Sports Market
- Indoor Amateur Sports as an Opportunity

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## Importance of Charlotte's Visitor Economy

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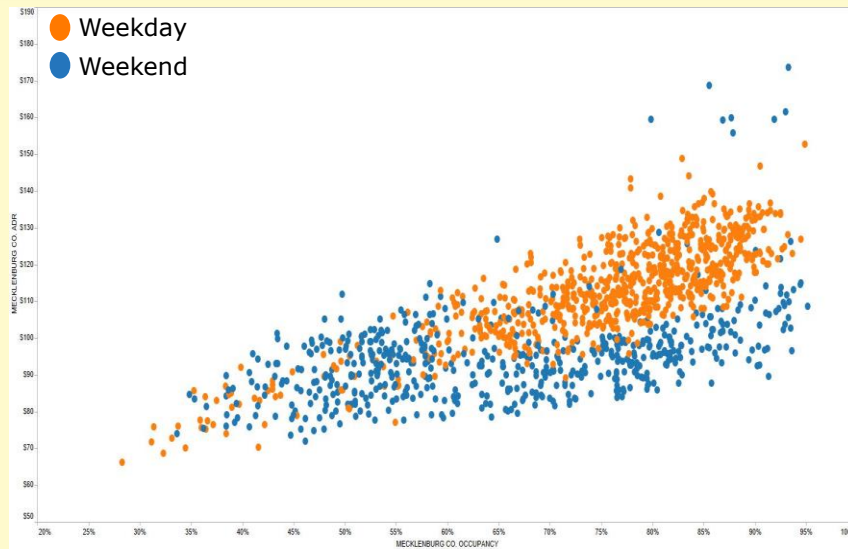
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## Charlotte Hospitality Industry Dynamics



Source: STR

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## The Economic Power of Amateur Sports

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**2,704 jobs**  
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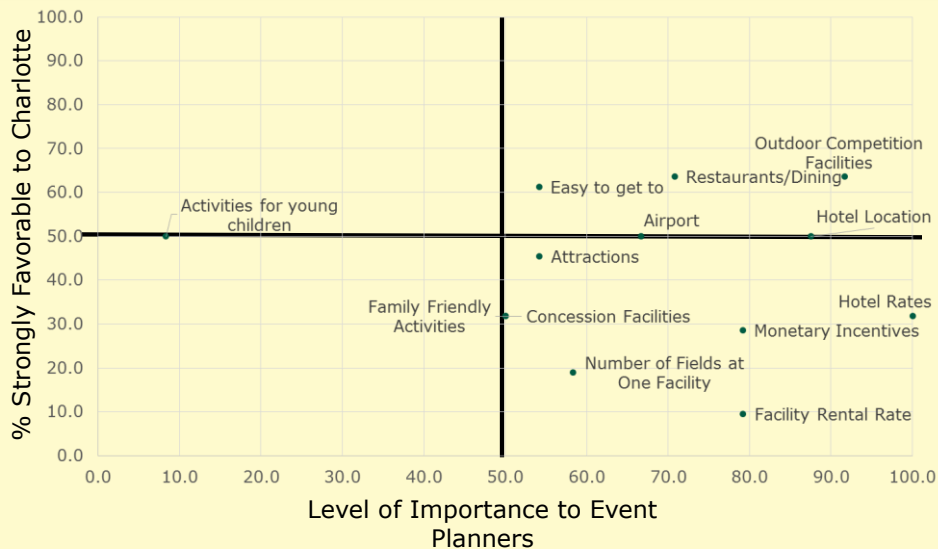


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## Charlotte's Position in the Amateur Sports Market

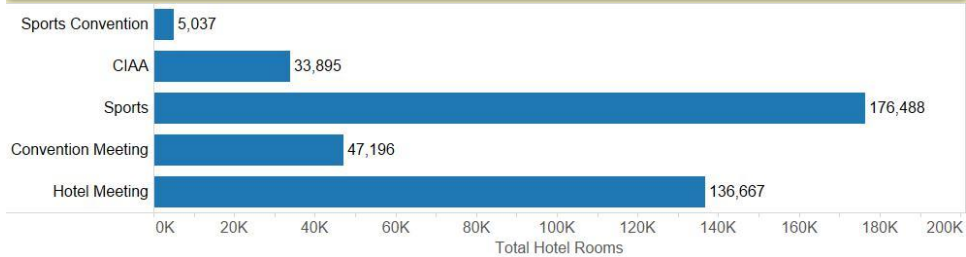


Source: CRVA Research

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## Indoor Amateur Sports as an Opportunity

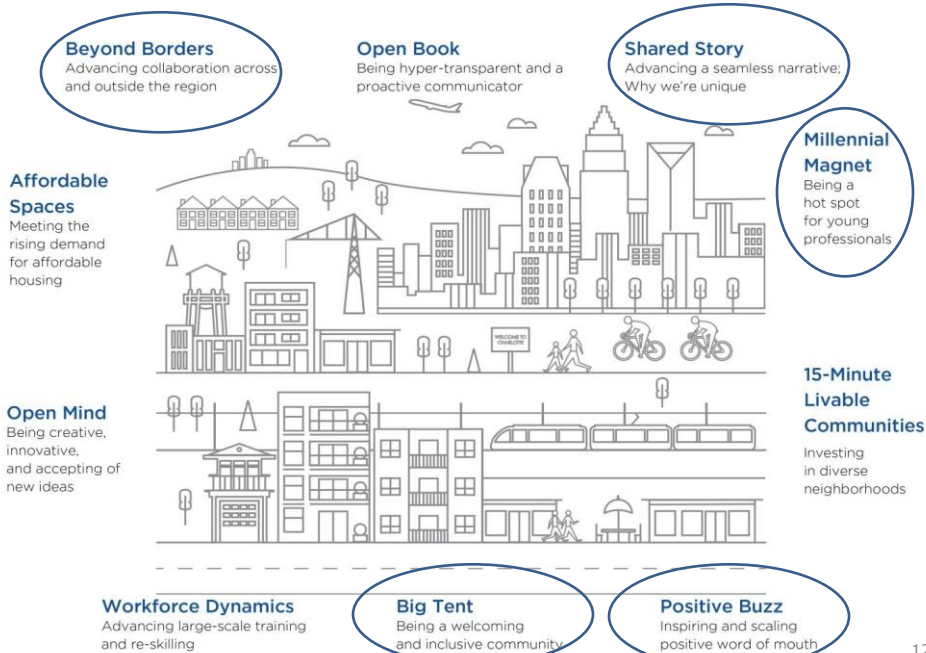


- 59% of all group rooms booked in FY17 were sports events
  - 37% of all group rooms were sports events held at Mecklenburg County Parks & Rec facilities
  - Over 15,000 rooms were generated by three events held at the Charlotte Convention Center (Basketball, Cheer, Volleyball)
  - Nearly 34,000 rooms are associated with the CIAA Basketball Tournament
- Expansion of Charlotte's ability to compete in the Indoor Amateur Sports Market represents our greatest growth opportunity.

Source: CRVA Research

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## THE 10 TRAITS OF WINNING CITIES OF TOMORROW



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## Public-Private Partnership (P3) Solicitation Requirements

- G.S. 143-128.1C governs P3 construction contracts
  - City has identified a critical need for an indoor amateur sports facility
  - P3 defined: “a capital improvement project undertaken for the benefit of a governmental entity and private developer...that includes construction of a public facility or other improvements...”
  - Request for Qualifications (RFQ) selection process to identify potential private partners
  - Private partner required to provide at least 50% of the total cost
- RFQ advertising:
  - *Charlotte Observer*
  - North Carolina Interactive Purchasing Site
  - Charlotte.gov
  - Courtesy emails will also be sent to known businesses that can provide these services

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## Partnership Objectives

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## Public-Private Partnership Scope

- Large scale, best-in-class, “destination-defining” indoor amateur sports facility
  - 10 high-school regulation basketball courts / ability to convert to 20 or more regulation volleyball courts
  - Flexibility to host the widest spectrum of amateur and youth sports events
  - Amenities: seating, rest rooms, food and beverage offerings, activity options for non-participating siblings, changing rooms, meeting rooms
- Location competitiveness
  - Proximity to hotels and restaurants
  - Proximity to other visitor amenities
  - Ease of access and parking

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## Public-Private Partnership Scope

- Private partner will be responsible for site control/land acquisition, construction and facility operation
- Partnership with CRVA to maximize visitors to Charlotte, particularly on weekends
- Community access plan that includes free access opportunities to serve citizens of Charlotte
- Youth employment and apprenticeship opportunities
- Charlotte Business INClusion requirements will apply to private partner

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## Funding

- City partnership to fund a portion of facility capital costs
- Funding Source: Convention Center Tax Fund (3% occupancy tax and 1% food and beverage tax)
- Convention Center Tax Fund can only be used for visitor marketing/promotion and infrastructure for the Convention Center, Bank of America Stadium, and **amateur sports**
- Any City funding is anticipated to be part of a Spring 2018 debt issuance

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## Timeline

Date	Action
September 15	Issue RFQ
September 22	Pre-proposal conference with potential RFQ submitters
October 31	RFQ submission due date
November 9	Economic Development Committee briefing and recommendation
November 27	City Council dinner briefing, Memorandum of Understanding approval, and authorization to negotiate a development agreement with private partner
January 2018	Public hearing and approval of development agreement

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## Indoor Amateur Sports Facility Public-Private Partnership Update

### **Questions and Feedback**

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